STATEMENT OF PURPOSE

RS22735

Beer products are regulated by and distributed through a three-tier system. The three-tier system is designed to keep the manufacturing tier independent from the distribution tier and each of those tiers independent from the retail tier. The three-tier system of regulation helps ensure that none of the tiers are unduly influenced by the others in the marketing of beer products. This legislation seeks to codify the independence between the manufacturing tier and the distribution tier by declaring that a brewery/manufacturer, with limited exceptions, cannot have a financial interest in a distributor and that a distributor cannot have a financial interest in a brewery. Currently, Idaho does not have any "brewery-owned branches" nor distributor-owned breweries.

FISCAL NOTE

There is no impact to the general fund.



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